

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6832

BILL NUMBER: SB 345

NOTE PREPARED: Jan 25, 2008

BILL AMENDED: Jan 24, 2008

SUBJECT: Collection of Unemployment Contributions.

FIRST AUTHOR: Sen. Weatherwax

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires the Department of Workforce Development to operate a data match system with financial institutions doing business in Indiana for use only in the collection of unpaid final assessments of employer contributions for the state's unemployment insurance system.

The bill allows an employer and employee to agree to a pay period or pay date other than the periods and dates established by statute, including an agreement to defer compensation that satisfies the requirements of Section 409A of the Internal Revenue Code.

The bill makes conforming amendments.

Effective Date: (Amended) Upon passage; July 1, 2008.

Explanation of State Expenditures: (Revised) The Department of Workforce Development could incur additional administrative costs associated with the operation of the match system. The department is required to pay financial institutions a reasonable fee of at least \$5 for each warrant issued to the financial institution. The match system would be similar to the system used by the Department of Revenue with individuals.

The provisions of the bill allowing an employer and employee to agree to a pay period or date other than the periods and dates established by statute should not have any fiscal impact.

Explanation of State Revenues: The bill should aid the Department of Workforce Development in the collection of unpaid unemployment insurance assessments, interest, penalties, and associated collection costs.

Explanation of Local Expenditures: (Revised) The provisions of the bill allowing an employer and employee to agree to a pay period or date other than the periods and dates established by statute should not have any fiscal impact.

Explanation of Local Revenues:

State Agencies Affected: Department of Workforce Development.

Local Agencies Affected:

Information Sources:

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